

The Congressional Issue Monitor

Congressman Jim Nussle

Manchester, Iowa

Summer 2001

Jim Nussle's Agenda for Iowa ...

► Strengthening the Family Farm

► Eliminate Debt, Lower Taxes & Responsible Budgets

► Long-term Energy Strategy Promoting Renewable Sources & Conservation

► Retirement Security for All Iowans

► Modernize Medicare with Prescription Drugs

► Leave No Child Behind By Reforming Education with Local Control

► Keep Our Nation's Promise to Our Veterans

► Fair Trade for Better Jobs and Wages

Strengthening the Family Farm

"Strengthening the family farm is the most important economic strategy for the State of Iowa. Our strength has always come from our land and the productivity of our family farms. While our farmers are the best in the world at the work they do, their economic condition has been threatened over the past 20 years and a new Farm Bill must be created to meet the changing needs of farmers so they can compete in the global marketplace."

Jim Nussle

AGENDA GOALS:

- 1. Re-write Farm Bill now**
- 2. Establish Responsible Conservation and Environmental Protection**
- 3. Budget for Agriculture Emergencies**
- 4. Encourage New People to Enter Agriculture**
- 5. Improve Tax Fairness for Farmers**
- 6. Reduce Government Pressure on Input Costs**
- 7. Top to Bottom Review of USDA**
- 8. Review and Oversight of Agri-Business Mega-Mergers**

This mailing was prepared, published and mailed at taxpayer expense
PRINTED ON RECYCLED PAPER

www.nussle.house.gov

nussleia@mail.house.gov

Strengthening the Family Farm Agenda Legislation:

Budget and Tax Relief

The Fiscal Year (FY) 2002 Budget and Tax Relief

- During his first year as Chairman of the House Budget Committee, Nussle crafted a federal budget framework with Iowa's farm families in mind.
- The budget sets aside \$79 billion for the creation of a new farm bill this year that gives farmers the predictability they need, as opposed to *ad hoc* disaster assistance.
- For 2001, the budget allows \$5.5 billion in emergency agricultural assistance to cover farmers' expected losses for the current planting season. *The House of Representatives approved a farm assistance package, the Crop Year 2001 Agricultural Economic Assistance Act (H.R. 2213), on June 26, 2001. The Senate approved the package on August 3, 2001.*
- The budget also made it possible for the President to reduce marginal tax rates, repeal the marriage and estate taxes, and extend incentives for education savings and planning for retirements.
- In addition, the budget provides full funding for crop insurance reform measures and increases funding for USDA research on emerging plant and animal diseases.

Tax Empowerment and Relief for Farmers (TERF) Act (H.R. 2347)

- Stabilizes farm income by allowing farmers to deduct up to 20% of their taxable income attributable to farming, so it can be placed in a Farm and Ranch Risk Management (FARRM) Account for up to 5 years.
- Exempts CRP payments and cash rental income from the self-employment tax.
- Creates a deduction for farmers and restaurants to donate to food banks.
- Allows income averaging for farmers who are liable for the Alternative Minimum Tax (AMT).
- Raises the cap on first-time farmer loans and Aggie Bonds.

Family Farm Protection Act (H.R. 1179)

- Promotes the passing of farms to future generations by allowing farms to be sold to actively involved family members without having to pay the federal capital gains tax.

Fair Trade and Competition for Iowa Farmers

Trade Promotion Authority Act (H.R. 2149)

- Facilitates international trade by allowing the President to make agreements that can be approved by Congress without amendment.

Transportation Tax Equity and Fairness Act (H.R. 1024)

- Lowers transportation costs for Iowa commodities and value-added goods by repealing the federal motor fuel excise tax on barge and rail transportation.

Agriculture Competition Act (H.R. 1526)

- Creates better oversight on agribusiness mergers by giving the USDA and Department of Justice the tools they need to watch for anti-competitive practices within the poultry, beef, and pork industries.

Research and Incentives for Adding Value to the Land

Ethanol Energy Promotion Act of 2001 (H.R. 1999)

- Promotes the development of small ethanol cooperatives.
- Protects the environment and strengthens the ethanol market by totally and immediately banning the use of MTBE as a fuel additive.
- Creates a large ethanol consumer by requiring the federal government to exclusively use ethanol blended fuels in its vehicles.

Renewable Energy from Agricultural Products (REAP) Act (H.R. 2000)

- Promotes value-added agriculture by creating incentives to produce energy from products once thought to have no use; such as, methane from manure and other ag related biomass.
- Creates demand for another farm product while promoting conservation by allowing switchgrass grown on CRP enrolled land to be used as an energy additive without affecting the program's payment schedule.
- Expands uses for soybeans by allowing diesel fuel blended with 2% soy-based biodiesel to receive a 3 cent/gallon exemption from the diesel fuel excise tax.
- Requires the federal government to exclusively use biodiesel blended fuels in its vehicles with diesel powered engines.
- *Portions of the REAP Act regarding the creation of incentives for producing biomass energy from grain, crop residues, and wood were also included in SAFE Act.*

National Animal Disease Center (NADC) at Iowa State University

- Worked with members of the Iowa Congressional Delegation to advocate for an updated NADC in Iowa.
- The FY 2002 Agriculture Appropriations Act includes \$40 million for the first year of NADC's construction.
- *H.R. 2330 was approved by the House on July 11, 2001.*